



Community Development Block Grant Section
2600 Fresno Street, Room 3065
Fresno, California 93721
(559) 621-8300

Jennifer Clark, Director, AICP

February 25, 2014

COMMUNITY DEVELOPMENT BLOCK GRANT NOTICE OF FUNDING AVAILABLE (NOFA)

The City of Fresno invites interested organizations to submit an application for funding under the FY 2014-2015 Community Development Block Grant (CDBG) Program. Applications are being accepted for community, housing and economic development projects/programs that benefit low and moderate income residents of Fresno. This NOFA seeks projects that meet the priorities outlined in the City's Consolidated Plan:

- Housing Rehabilitation and Acquisition
- Public Facilities and Improvements
- Crime Awareness
- Emergency Shelter and Transitional Housing, Prevention of Homelessness, and Permanent Housing for the Homeless
- External Support and Coordination
- Economic Development

The City has prepared the FY 2014-2015 Information Guide on Applying for Funds to assist interested persons and/or agencies in preparing applications. Carefully review the Information Guide to determine if your activity is an eligible use of CDBG funds. Only eligible projects will continue through the funding process. The application can be found at www.fresno.gov/cdbg.

CDBG Application Deadline: **Monday, March 17, 2014 by 4:00 p.m.**
Postmarks will not be accepted

Contact Person: **Crystal Smith, (559) 621-8507**
crystal.smith@fresno.gov

Application Delivery: **Development and Resource Management**
Department/CDBG Section
2600 Fresno Street, Room 3065
Fresno, CA 93721



Development and Resource Management

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Background

The federal Community Development Block Grant (CDBG), HOME Investment Partnerships Act (HOME), and Emergency Solutions Grant (ESG) Programs are established through the Housing and Community Development Act of 1974; the National Affordable Housing Act; and the Stewart B. McKinney Homeless Assistance Act, respectively. Funding for the entitlement programs is received annually and is based upon formulas established by Congress. Additionally, the City receives Housing Opportunities for Persons with AIDS (HOPWA) entitlement program. The HOPWA Program is enacted through the AIDS Housing Opportunity Act.

Funding levels of the entitlement programs varies from year to year depending upon the federal budget. Historically, the City receives funding requests that double the actual funds available. The City does not expect to fund all requests submitted.

Consolidated Plan and the Annual Action Plan

As a recipient of federal entitlement funding from the U.S. Department of Housing and Urban Development (HUD), the City of Fresno is required to prepare a Consolidated Plan that sets forth a five-year strategy for allocating resources to meet the housing and community development needs of its low and moderate income residents. The strategic report provides a prioritized list of needs that will be addressed annually through the federal entitlement programs.

CDBG, HOME, ESG and HOPWA Program funds are allocated in accordance with local plans and priorities, federal regulations and the needs identified in the Consolidated Plan. Each year the City prepares an Annual Action Plan that identifies programs, projects, activities, and funding levels that will be undertaken to address the Consolidated Plan priority needs. Applications for funds are required to meet one of the prioritized needs. A summary of the priorities are provided in a later section of this Information Guide.

Citizen Participation Process

An integral part of developing the annual action plan is input from the community. Particular, emphasis is placed upon gathering input from populations directly impacted by the funding, such as: low and moderate income persons, senior citizens, persons with disabilities, homeless persons, persons with HIV/AIDS, illiterate adults, and migrant workers.

The City will conduct three public hearings to encourage persons to participate in the annual action plan process. Each public hearing will be noticed in The Fresno Bee and Vida En El Valle publications; placed on the City's website at www.fresno.gov/cdbg, and posted in the City Clerk's Office at City Hall, 2600 Fresno Street.

Staff will provide technical assistance to prospective applicants. Appointments can be made by calling, Crystal Smith at (559) 621-8507.

The City expects to receive the following federal funding for FY 2014-2015

Grant	Amount
CDBG	5,700,000
HOME	1,700,000
ESG	418,000
HOPWA	355,000

Applying for CDBG Funds

CDBG applications are available **February 18, 2015** at the Development and Resource Management Department 2600 Fresno Street, Room 3065 and on the City's website at www.fresno.gov/cdbg.

Applications under the HOME, HOPWA, and ESG Programs are not being accepted under this NOFA opportunity. HOME, ESG, and HOPWA program details provided in this document are for public information purposes only. The public will be notified under a separate NOFA for the HOME and ESG Programs.

Agencies with multiple funding requests must submit separate applications. One original application must be received no later than, **4:00 p.m. on Friday, March 17, 2014, at the Development and Resource Management Department, 2600 Fresno Street, Room 3065.** Postmarks and facsimiles will not be accepted.

Eligible Applicants of CDBG Funding

Applicants to the CDBG Program must be a non-profit corporation, chartered and in good standing with the State of California; tax exempt status with an IRS 501(c)(3) designation. City, other

government agencies, and institutes of higher learning are also eligible applicants.

Annual Action Plan Process

Housing and Community Development Commission (HCDC). A Mayor appointed commission, is responsible for making housing and community development recommendations to the

Mayor and the City Council. HCDC will conduct two public hearings during the annual action plan process prior to providing the recommendation. The hearings will provide an opportunity for applicants to present proposed projects to the commission. A detailed time line of the CDBG application process has been included in this Information Guide.

Mayor and City Council Review. The Mayor's Office reviews the CDBG applications and the recommendation of HCDC and prepares a CDBG Funding List. The list is a part of the Mayor's Proposed Budget to the City Council. During the budget deliberation process, the City Council reviews the Annual Action Plan, which includes the CDBG Project List, for consideration and adoption. Mayor priorities, local plans, prioritized community needs, recommendations made by the HCDC, public comments, and federal program allocations contribute to the funding decisions made by the Mayor and City Council.

Notification of Award, Agreements and Monitoring. Organizations awarded funding will receive award letters in July. Agreements are executed in August. All activities approved for funding will go through environmental and historic review processes. Prior to the expenditure of funds, the City will execute an agreement with the agency describing the funding obligations. During the contract period, the City will monitor the project for accounting and program compliance.

Summary of Five Year Consolidated Plan Priorities

As a condition of receiving the federal funds from HUD, the City is required to prepare a five-year strategic plan that identifies the housing and community development needs of low to moderate income households; with special emphasis on: large families, persons with disabilities, the homeless, households living in substandard housing, households carrying excessive rent burdens, and persons with HIV/AIDS. The strategic report details the needs of the target group and provides a list of ten priorities to which annual program funding will be directed.

New Construction of Affordable Housing. Increase housing opportunities for very-low and low income families, with emphasis on large families (five or more related family members).

Housing Rehabilitation and Acquisition. Improve the available housing stock for very-low and low income households.

Residential Displacement and Relocation. Pursue increased housing opportunities and assistance for those displaced through federally funded activities.

General Plan Update. Monitor and update the City of Fresno General Plan and update the Housing Element and housing data as it pertains to development of affordable housing for very-low and low income families. Continue to improve all other City regulations and processes that affect housing access and affordability.

Public Facilities and Improvements. Provide public facility and infrastructure improvements to facilitate neighborhood revitalization.

Crime Awareness. Provide funds to increase law enforcement services, primarily in CDBG target areas, using the public services portion of the CDBG entitlement.

Emergency Shelter and Transitional Housing, Prevention of Homelessness and Permanent Housing for the Homeless. Continue to provide assistance for homeless persons and those in danger of becoming homeless and improve the communication and service delivery capabilities of agencies and organizations that provide programs to assist the homeless.

External Support and Coordination of Services. Depending on funding availability, continue to provide assistance to public agencies and non-profit organizations providing neighborhood housing services, supportive services to the homeless, older adults with physical or mental impairment, the mentally ill, victims of domestic violence, and households with abused children, among others. Coordinate with public agencies providing job training, life skills training, lead poisoning prevention and remediation, and other education programs in the City's Consolidated Plan strategies.

Economic Development. Provide economic development and employment opportunity programs using a variety of funding sources.

Effective Program Monitoring. Continue to monitor programs in the Consolidated Plan, Annual Action Plan and other applicable federal programs.

Applicants of FY 2014-2015 CDBG funds are required to identify the specific Consolidated Plan priority the activity will meet. Additionally, in the narrative statement applicants are required to integrate how the proposed activity addresses the priority need and benefits low and moderate income persons/households.

Community Development Block Grant Program (CDBG)

The Community Development Block Grant (CDBG) Program is administered by HUD and is authorized under Title 1 of the Housing and Community Development Act of 1974, as amended. The purpose of the CDBG Program is to enhance and maintain viable urban communities through the provision of decent housing, a suitable living environment, and the expansion of economic opportunities, principally for low and moderate income persons.

Programs and activities proposed for CDBG funding must be located within the city limits, an eligible use of funds, and meet at least one of the following national objectives.

National Objective No. 1 – Activities Benefiting Lower Income Persons/Households

The definition of a lower income person or household is one having an income equal to or less than 80 percent of the Fresno Area median income, as established by HUD. Income levels are provided in a later section of this Information Guide. All CDBG awarded subrecipient activities are required to serve 100% low to moderate income persons. Activities benefiting lower income person/households fall into four categories: area wide activities, limited clientele activities, housing activities and job activities.

Area Wide Activities - These are activities that serve geographic areas in which at least 51% of the households are lower income, based on census data. A map of CDBG Eligible Areas is provided in this Information Guide. Check with City staff if your activity serves both eligible and ineligible areas.

Examples of Area Benefit Activities include public improvements, i.e., street, sidewalk, curb, and gutter improvements (including related design and engineering work). Park improvements, community centers, and public facilities.

Limited Clientele Activities - To qualify as a limited clientele activity, there must be documentation that the service or project directly benefits a low income clientele or a presumably low income clientele. HUD presumes certain groups meet the lower income criteria. HUD has defined these groups as: abused children, battered spouses, elderly persons, adults with severe disabilities, homeless persons, illiterate adults, persons living with AIDS, and migrant workers.

Housing Activities - Housing activities include acquisition or rehabilitation of properties. CDBG funds may not be used for new housing construction. However, funds may be used for property acquisition and construction of off-site improvements in conjunction with new construction.

The City currently has a housing rehabilitation program for lower income owner and renter occupied units. Persons wanting more information about these programs should contact the Housing Division at (559) 621-8500. Applications received for these types of activities will not be accepted. Applicants will be redirected to the existing programs.

Job Activities - CDBG funds may be used to undertake certain economic development activities. Activities under this category are required to create and/or retain jobs for low and moderate income person. There are stringent guidelines under this activity. It is advised that persons or organizations interested in this activity work directly with staff to ensure the parameters of the regulations are met.

National Objective No. 2 – Activities That Aid in the Prevention or Elimination of Slums or Blight

If a project cannot meet the low income objective, a project may qualify if it benefits a slum or blighted area. State or local laws define slum and blighted areas as those that contain a high number of deteriorating or dilapidated buildings or infrastructure. Redevelopment project areas generally qualify under this category. **Note:** Most blighted areas also qualify under National Objective No. 1 (Activities Benefiting Lower Income Persons/Households) and it is **not** necessary for you to spend time on the application justifying how you meet the special requirements for slums and blight.

To meet this objective, the activity must be located in a City redevelopment area or in an area where there is a substantial number of deteriorated or deteriorating buildings. The activity must be designed to address one or more of the conditions that qualified the area as slum/blighted.

Projects may qualify outside a slum or blighted area on a spot blight basis. Activities include acquisition, demolition, rehabilitation, relocation, and historic preservation. Under this standard, rehabilitation of a building or a house is limited, to the extent necessary, to eliminate the substandard conditions that are detrimental to public health and safety.

National Objective No. 3 – Activities Designed to Meet Community Development Needs Having a Particular Urgency

Activities must be designed to alleviate existing conditions that pose a serious and immediate threat to the health or welfare of the community that became urgent within the past 18 months. The City must demonstrate that other sources of funding are not available. Again, projects that meet either National Objective No. 1 or 2 do not need to meet this objective.

Eligible CDBG Activities

In addition to meeting one of the above national objectives, the activity must also be an eligible use of CDBG funds. Eligible activities include the following:

- Acquisition, design, construction, and/or rehabilitation of a structure that will conduct a CDBG eligible activity.
- Public facility improvements such as: parks, playgrounds, recreational, senior and youth centers, except 24-hour care facilities.
- Street improvements including curbs, gutters, sidewalks, lights, and street paving.
- Water system improvements including fire hydrants.
- Flood, drainage, or sewer facilities
- Acquisition of property that is of historic value; appropriate for beautification or conservation of open spaces; or appropriate for low or moderate income housing.
- Elimination of conditions that are detrimental to health, safety and public welfare through interim rehabilitation such as: demolition of buildings and clearance of land that may be a health hazard to the community.
- Interim assistance or temporary help to alleviate harmful or dangerous conditions.
- Removal of architectural barriers that restrict mobility of persons with disabilities.
- Code enforcement in designated targeted areas.
- Conservation and improvement of the housing stock through rehabilitation of homes belonging to lower income persons.
- Assistance to lower income first-time home buyers.
- Rehabilitation and preservation of buildings and improvements, both publicly and privately owned.
- Eligible planning and environmental design cost.
- Eligible economic development activities, such as creation of jobs for persons of low and moderate income through the expansion of business opportunities by providing financial incentives to small businesses. **Note:** There are

additional federal requirements for qualifying projects under this provision. Interested persons should discuss their proposal with City staff prior to submitting an application.

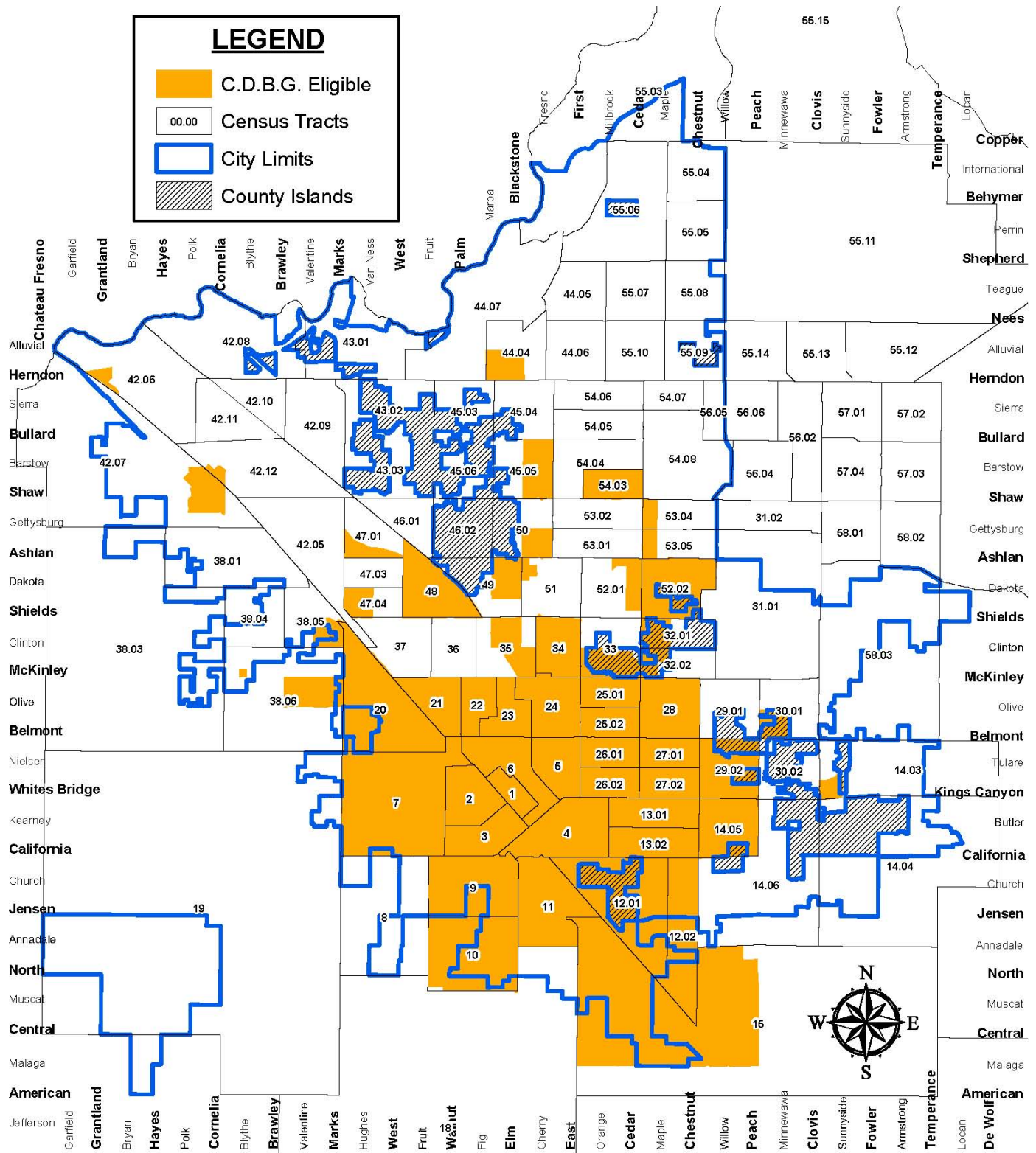
Public Services - Expansion and improvement in the quantity and quality of public services, principally for lower income persons. A maximum of 15 percent of the City's total annual CDBG allocation may be used for public service activities. Examples of public services include:

- crime prevention, child care, health care, job training, recreation, education, fair housing, senior citizens programs, homeless services, drug-abuse related services, energy conservation, home buyer assistance and social services (excluding provision of income payments).

Ineligible CDBG Activities

- Buildings for the general conduct of government such as city halls, courthouses, and police stations (Note: Police substations may be built in CDBG eligible areas.)
- Stadiums, sports arenas, auditoriums, museums, and central libraries (Note: Branch libraries and community centers may be built in CDBG eligible areas.)
- Airports, subways, bus or other stations.
- Expenses of general government for operation and maintenance of public facilities.
- Direct income payments to residents.
- New housing construction (except when done by a community-based development organization recognized by HUD.)

COMMUNITY DEVELOPMENT BLOCK GRANT LOW/MODERATE INCOME AREAS



HOME Investment Partnerships (HOME) Program

HUD also administers the Home Investment Partnership (HOME) Program as authorized by the 1990 National Affordable Housing Act, as amended by the Housing and Community Development Act of 1992. The intent of the HOME Program is to expand the supply of decent, safe, sanitary and affordable housing.

Eligible HOME Activities

- CHDO (Community Housing Development Organizations), HUD requires 15 percent of the City's HOME funds be set aside for CHDO activities. There is a separate application process to obtain this status. CHDO eligibility is restricted to a qualified non-profit organization with 501(c) (3) tax status and other special requirements. You should talk with City staff regarding applying for these set-aside funds.
- Home ownership assistance;
- Rehabilitation;
- New construction of affordable housing;
- Tenant-based rental assistance;
- Acquisition of property for affordable housing.

Additional HOME Program Requirements

In order for an activity or program to be eligible for HOME funding, it must qualify by meeting the following guidelines:

- One hundred percent of all funding must be used to benefit households or persons with incomes less than 80 percent of the Fresno area median income, as defined by HUD.
- HOME funds may be used for rehabilitation, tenant-based rental assistance, new construction, low income home buyer assistance, acquisition of property for affordable housing, or CHDO activities.
- All HOME-funded projects must have 25% matching funds from a non-federal source.
- The HOME program has strict long term affordability requirements which differ based on the type of project and the amount of funding requested per unit. Check with City staff for specific requirements prior to submitting an application.
- Prevailing wage requirements are different from the CDBG program. Federal prevailing wages (Davis-Bacon) are triggered when there are 8 or more units assisted with CDBG funds. For the HOME program, it is 12 or more units. If a

project will trigger this important requirement, the cost estimate should be adjusted accordingly.

Ineligible HOME Activities

- Emergency repair programs;
- Project reserve accounts;
- Public housing projects; preservation of affordable housing projects;
- Commercial properties;
- Homeless shelters;
- Matching funds for other programs, except to match McKinney Act funds;
- Temporary shelters;
- Other properties that do not constitute permanent housing such as residential health care facilities and publicly run residential institutions; or
- Acquisition of City or agency-owned properties.

Note: Applications under the HOME Program are not being funded for FY 2009-2010. HOME Program details provided in this Guide is for public information purposes only.

Emergency Shelter Grant (ESG) Program

HUD administers the Emergency Shelter Grant (ESG) Program as authorized under the McKinney Act in 1990. The purpose of the ESG Program is to enable homeless individuals and families to move toward independent living. An emergency shelter is defined by the grant as any facility, the primary purpose of which is to provide temporary or transitional shelter for the homeless, in general, or for specific populations of the homeless. To demonstrate capacity, the agency must have a shelter that has been in operation for at least one year.

The National Affordable Housing Act of 1990 and the Housing and Community Development Act of 1992 permits up to 10 percent of the ESG grant to be used for the City staff costs associated with the operation (maintenance and security) of a shelter. Facilities utilizing ESG funds for major rehabilitation must be used as a homeless facility for at least ten years. Rehabilitation activities, other than major rehabilitation requires that the facility be used for at least three years.

The ESG Program requires an amount equal to or greater than the ESG grant in matching funds. This

match can be in the form of cash donations, fund raising drives, non-HUD government grants (with the exception of HOME Program funds), volunteer labor (rate: \$5/hour), and donated materials or buildings.

ESG Program Eligibility

In order for a project to be eligible for ESG funding, all funds must be used for the following:

- Renovation, major rehabilitation or conversion of buildings for use as emergency shelters for the homeless. Note: Acquisition and new construction of shelters are ineligible expenses.
- Provision of essential services to the homeless (limited to 20 percent of project costs).
- Payment of shelter operations such as utilities, insurance, maintenance and security, rent, repair, fuels and equipment. The project excludes administrative staffing expenses.
- Homeless prevention activities. **Note:** There are special restrictions for this use. Check with staff first if your project involves these activities.

Ineligible ESG Activities

- Assistance to organizations that require religious instruction or counseling, as part of the provision of homeless assistance. Renovation, of certain buildings, belonging to primarily religious organizations is defined by HUD as prohibited from receiving ESG funding.
- Assistance to organizations with facilities which do not have documentation that the units, to be occupied by children under the age of six, have not been abated for **lead-based paint**. If a shelter has units having one or more bedrooms, and a person receives assistance for more than 100 days, all child-occupied spaces must be lead safe. Organizations with units that are not exempt will be required to provide documentation that the units have met the requirements of the law.

Housing Opportunities for Persons with AIDS (HOPWA) Program

The HOPWA Program was established by HUD to address the specific needs of persons living with HIV/AIDS and their families. HOPWA makes grants to local communities, States, and nonprofit organizations for projects that benefit low income persons medically diagnosed with HIV/AIDS and their families.

Eligible HOPWA Activities

- Tenant-Based rental assistance;
- Short Term Housing Assistance – short-term rent, mortgage and utilities assistance;
- Facility based housing assistance;
- Facility-based housing rental assistance, including master-leased units and project-based rental assistance;
- Operating costs for housing including: maintenance, security, operation, insurance, utilities, furnishings, equipment,
- supplies, and other incidental costs;
- Capital funds for the acquisition, rehabilitation, conversion, lease, and repair of facilities to provide housing and services;
- Capital funds for the new construction of single-room occupancy units or community residences;
- Supportive services;
- Housing information; and
- Permanent housing placement.

Note: The HOPWA entitlement is a new program to the City of Fresno. This program has been operating through the State of California to Fresno County as the lead health jurisdiction. The City expects to continue the relationship with the County maintaining programmatic administration through the City of Fresno.

**CITY OF FRESNO
HUD ANNUAL INCOME LIMITS
FY 2014 PROGRAM YEAR**

	1 person	2 person	3 person	4 person	5 person	6 person	7 person	8 person
0-30% AMI	11,500	13,150	14,800	16,400	17,750	19,050	20,350	21,650
31-50% AMI	19,150	21,900	24,650	27,350	29,550	31,750	33,950	36,150
51-80% AMI	30,650	35,000	39,400	43,750	47,250	50,750	54,250	57,750

AMI = Area Median Income

**CITY OF FRESNO
INSURANCE REQUIREMENTS**

Insurance Requirements. Throughout the life of this Contract, Contractor shall pay for and maintain in full force and effect all policies of insurance required hereunder with an insurance company(ies) either (i) admitted by the California Insurance Commissioner to do business in the State of California and rated not less than "A- VII" in Best's Insurance Rating Guide, or (ii) authorized by City's Risk Manager. The following policies of insurance are required:

- | | | |
|--------------------------|--|-------------|
| <input type="checkbox"/> | Certificate of Commercial General Liability | \$1,000,000 |
| <input type="checkbox"/> | Certificate of Automobile Insurance on all Vehicles | \$1,000,000 |
| <input type="checkbox"/> | Workers Compensation Insurance | State Level |
| <input type="checkbox"/> | Builder's Risk (may be required depending on the project) | |
| <input type="checkbox"/> | Contractors Pollution Liability (may be required on the project) | |
| <input type="checkbox"/> | Property Insurance (may be required depending on the project) | |

Endorsements

- | | |
|--------------------------|--|
| <input type="checkbox"/> | City Listed as Additional Insured |
| <input type="checkbox"/> | Additional Insured - Designated Person or Organization |
| <input type="checkbox"/> | Additional Insured Blanket Primary |
| <input type="checkbox"/> | Additional Insured - Owners, Lessees or Contractors |
| <input type="checkbox"/> | Additional Insured - Designated Person or Organization |

If you have questions on how to obtain these forms, please contact your insurance carrier. The City of Fresno's Risk Management Department will review for accuracy all documentation submitted. City of Fresno reserves the right to request additional insurance requirements based upon the nature of the project being assisted.